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NETWORK APPLIANCE, INC.,

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

NETWORK APPLIANCE, INC.

Plaintiff-Counterclaim Defendant,

v.

SUN MICROSYSTEMS, INC.

Defendant-Counterclaim Plaintiff.

Case No. 3:07-CV-06053-EDL

**SUPPLEMENTAL JOINT CASE  
MANAGEMENT STATEMENT**

Pursuant to the Court's February 12, 2008 Case Management Order, Plaintiff NetApp, Inc. (formerly Network Appliance, Inc.) and Sun Microsystems, Inc. ("Sun") jointly submit this Supplemental Case Management Statement in advance of the June 3, 2008 Further Case Management Conference.

## **CLAIM CONSTRUCTION PROCEEDINGS**

### **1. Scope of the Claim Construction Hearing**

The Patent Local Rule 4-3 Joint Claim Construction Statement includes 110 claim terms for construction, as well as 18 terms governed by 35 U.S.C. § 112(6) for which corresponding structure needs to be identified. Of these 110 claim terms identified for construction, 77 of them were identified only by NetApp, 13 were identified by both NetApp and Sun, and 20 were identified by only Sun. The parties disagree about the proper methodology for narrowing the scope of the claim construction proceedings.

#### **NetApp's Position.**

As discussed at the initial case management conference, the Court expects the parties to trim this case down for claim construction and trial to a manageable size. As set forth at the hearing on May 13, 2008, NetApp believes that the upcoming claim construction proceedings should be limited to four patents from each side. This will allow both parties to choose what they consider to be their best patents for an even-handed and manageable proceeding. While still formidable, learning eight different patents in one claim construction hearing is reasonable given this Court's strong capability.

Under this proposal, there are a flexible number of efficient ways to handle the remaining patents-in-suit that do not make the cut of being among the top four: (1) They can be added to the second or third cases so that there is not a new track, if the biggest concern is multiple tracks, (2) they can be held aside for now in this case, with or without discovery rights, or (3) if dismissal from this case is seen as a better approach, that could work too. Whichever of these options is selected, NetApp's approach improves the management of this case in an even-handed way.

Sun's primary response to NetApp's proposal is to ignore the central problem, which is

1 that, while the Court reasonably expects a manageable claim construction process, the parties  
2 have asserted against each other 322 different claims-in-suit (239 of which are Sun's claims)  
3 across 19 different patents. Instead of confronting this problem head-on by agreeing to do the  
4 sensible thing and trim the number of patents based on the extensive infringement and invalidity  
5 disclosures exchanged by the parties, Sun oddly attempts to blame the parties for identifying 110  
6 disputed claim terms within the 322 different claims-in-suit. This defies logic and experience.  
7 Far from being irresponsible, the parties have identified approximately one disputed term for  
8 every three asserted claims, a ratio sharply below the norm. And Sun's suggestion that NetApp is  
9 somehow misbehaving based on the number of disputed terms is empty rhetoric. The  
10 fundamental problem that the Court and the parties need to address is not simply the number of  
11 disputed terms, but rather the overall scope of asserted patents, which gives rise to those disputes  
12 and renders a one-track claim construction process unworkable. Sun's stubborn refusal to face  
13 this fact – that it is unreasonable and impractical to ask the Court to understand 19 different  
14 patents, and up to 322 asserted claims concerning everything from microprocessors to website  
15 structures to software architecture in one claim construction hearing – places its whole position  
16 on a foundation of quicksand.

17 Likewise, Sun's attempt to equate NetApp's proposal with its own stay motion is a false  
18 argument that ignores NetApp's basic position: NetApp is open to any reasonable proposal about  
19 how to address the problem that everyone, including Sun in this very document, has  
20 acknowledged: there is an excess of patents and claims and there are too many claim  
21 construction disputes arising from them to address in one hearing.<sup>1</sup> Thus, whether patents not  
22 selected for the first wave are dismissed (as proposed by Sun during the parties' discussions), or  
23 stayed, or available for discovery, the key concern is that the case be managed in a sensible way.  
24 NetApp's proposal achieves that by narrowing the issues to a discrete set of 8 patents, and  
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26 <sup>1</sup> Moreover, Sun's reference to Congressional policy in this regard is perplexing. Any  
27 conceivable Congressional policy supporting a stay of reexam is predicated on there being  
28 "special dispatch" in the reexam process. In fact, the reexam process is so slow that even Sun  
does not argue that there is anything resembling special dispatch.

1 allowing each party a free hand to select its own four patents for claim construction at this stage.

2 Sun proposes, by contrast, that the parties be allowed to pursue all their patents through  
3 claim construction, limiting the parties to 40 claim term disputes (20 per side) among the 322  
4 asserted claims – 239 of which are Sun’s asserted claims. Sun presumably wants to pursue 12 of  
5 its patents, while allowing NetApp to pursue six or fewer patents. As evidenced by its argument  
6 here, Sun will seek to stay as many of NetApp’s patents as possible by continuing to pursue more  
7 reexams (in addition to the three original requests, two more requests have been filed), which  
8 would easily tie those patents up for years.

9 Sun’s proposal suffers from several severe problems. As noted above, it essentially asks  
10 the Court to understand 19 different patents, and up to 322 asserted claims – concerning  
11 everything from microprocessors to website structures to software architecture – in one claim  
12 construction hearing. That is unreasonable. Essentially, rather than making intelligent judgments  
13 now about which are the top patents it wants to prioritize, Sun is forcing the Court to wrestle with  
14 all of these complex patents, which will only serve to burden the Court and slow the case.

15 In fact, the parties are in a position to prioritize their patents now. They have exchanged  
16 the infringement contentions and invalidity contentions demanded by the Patent Rules since  
17 January and, indeed, have memorialized their resulting claim construction debates in the Joint  
18 Claim Construction Statement filed last week. Counsel should bear the responsibility now of  
19 trimming this case to a more reasonable size – instead of pushing the burden of an omnibus claim  
20 construction hearing to the Court.

21 Aware that such a claim construction hearing is impractical, Sun proposes an arbitrary 40  
22 claim term limit from among the 322 asserted claims containing thousands and thousands of  
23 claim limitations. Make no mistake about it, construing 40 terms from 19 patents offers the worst  
24 of all worlds. It inflicts the real burden of understanding so many patents and construing so many  
25 terms, but without resolving all the meaningful claim construction disputes that obviously arise  
26 from 322 asserted claims. Such a large number of patents in complex technology involving so  
27 many asserted claims has understandably resulted in the identification by the parties of  
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1 approximately 110 disputed terms. That the parties' discussions have, to this point, been  
2 unsuccessful in reducing this number in any meaningful way suggests that these disputes are  
3 fundamental and enduring in nature, and not simply the product of over-eager designation during  
4 the claim construction exchange process. Indeed, the parties agreed during the meet and confer  
5 conference that their differences concerning the proposed constructions were so substantial that it  
6 did not make sense to confer further about more than approximately 20 terms. The fundamental  
7 lack of agreement is particularly important, because Sun's hard-cap of 40 terms ignores the  
8 requirement that all claim terms that are meaningfully disputed must be construed by the Court at  
9 the risk of error. Just last month, the Federal Circuit provided another reminder that undue limits  
10 on the number of terms for construction can cause error. *See O2 Micro Intern. Ltd. v. Beyond*  
11 *Innovation Technology Co., Ltd.*, 521 F.3d 1351 (Fed Cir. April 3, 2008) (vacating and  
12 remanding the verdict: "When the parties raise an actual dispute regarding the proper scope of  
13 the claims, the court, not the jury, must resolve that dispute."). This cardinal legal principle is  
14 why the Patent Rules Committee and Judge Whyte refused to adopt a limit on the number of  
15 terms for construction per case, despite the desire in some quarters for such a rule. With 322  
16 asserted claims at issue, permitting each side to identify only 20 claim terms for construction  
17 invites all the problems attendant to an incomplete claim construction process.

18 In the end, the choice for the Court is between thoroughly addressing each side's best four  
19 patents in an organized and efficient proceeding or performing the less welcome job of  
20 adjudicating claim construction disputes among 322 asserted claims in 19 patents, with the parties  
21 only later picking and choosing their preferred patents – and identifying additional unresolved  
22 claim construction disputes before, during and/or after trial.

23 While it is crystal clear to NetApp that its proposal is far more workable for the Court  
24 (indeed, for all concerned), for this approach to make sense, it is important that the Court not stay  
25 the case as to the selected patents of the parties. It would be fundamentally unfair to narrow the  
26 case to selected patents only to stay those patents and, in any event, the procedural posture and  
27 stage of the case would then counsel against further stays.  
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### **Sun's Position**

While NetApp strongly opposed Sun's motion for partial stay, arguing the parties should be able to select for themselves which patents they believe are the best to pursue, NetApp now argues Sun should be forced to arbitrarily limit the number of patents-in-suit Sun may assert now by two thirds. In so arguing, NetApp seeks to dramatically reshape the existing contours of this case, in which Sun currently asserts 12 patents and NetApp asserts 7 patents (one of which is the subject of a stay order), by equalizing the number of patents each party may assert now to four (and effectively invoking a stay as to the remaining patents). NetApp's proposal would result in a stay as to only two NetApp patents, while eight Sun patents would be subject to a stay. Thus, while NetApp bathes its proposal in the words of "reasonable" case management, NetApp seeks to gain a substantive and tactical advantage, and to severely prejudice Sun, through shelving the majority of Sun's patents-in-suit and by changing the relative number of patents being asserted by each party (from roughly a 2:1 ratio to a 1:1 ratio). NetApp's proposal is particularly ironic given its vehement opposition to Sun's motion for partial stay (which was granted as to one patent, but denied as to two patents), as Sun's motion was based on express congressional intent and case law supporting a stay as to patents in reexamination, while NetApp now seeks to effectively impose a stay as to eight Sun patents when no congressional intent or case law supports the request.

Significantly, the concerns raised by NetApp are largely of its own making. Specifically, NetApp's undisciplined identification of the claim terms to be construed resulted in the "problem" NetApp now seeks to solve at the expense of the number of patents Sun may assert. The parties identified a total of 110 claim terms for construction, as well as 18 terms governed by 35 U.S.C. § 112(6) for which corresponding structure needs to be identified. Reflecting NetApp's "throw mud at the wall" approach to claim construction, 77 of the 110 claim terms were identified only by NetApp, while only 13 were identified by both NetApp and Sun, and 20 were identified by only Sun. Sun should not be required to drastically limit the number of patents it can assert now simply because NetApp seeks to clog the process with dozens of claim terms not

1 requiring construction.<sup>2</sup>

2 Moreover, NetApp initiated this lawsuit, asserting infringement of seven patents, and  
3 NetApp knew then (as evidenced by its declaratory relief claims as to Sun patents) that Sun  
4 contended NetApp broadly practiced the patents in Sun's patent portfolio. The parties are before  
5 the Court with many patents because NetApp decided to initiate litigation rather than continue the  
6 parties' licensing discussions. Having chosen the path of litigation, NetApp should not be  
7 permitted to limit Sun's ability to assert its counterclaims against NetApp.

8 Sun's Proposal: Sun proposes that each party identify up to 20 priority terms for claim  
9 construction. The 20 terms could be selected from any of the 20 patents-in-suit. There would be  
10 no requirement that a priority term must be identified for each patent-in-suit (thus, not all patents  
11 necessarily would be subject to claim construction), nor would there be any cap on the number of  
12 terms that could be selected for a given patent. Rather, each party would focus its 20 priority  
13 claim terms on the claim construction issues it deems most important in this case.

14 If both parties identify 20 terms, and if there is no overlap on the parties' respective lists,  
15 the Court would be asked to construe 40 terms. If the parties identify fewer than 20 terms, or if  
16 the parties' lists overlap, the Court would be asked to construe fewer than 40 terms.

17 If the Court determines that 20 priority claim terms per side is too many terms to construe  
18 at this time, Sun is prepared to proceed as to any number of claim terms the Court deems  
19 reasonable. Furthermore, if the Court concludes that more than a single day would be required  
20 for a *Markman* hearing, or that it would be useful to the Court to prepare for and hear argument  
21 on different claim terms at slightly different times, the Court could schedule the Markman hearing  
22 to be heard on multiple days (or parts of different days). For example, the Court could schedule  
23 a specified number of claim terms be argued at a first hearing, that a second group of terms be  
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25 <sup>2</sup> The parties' Joint Claim Construction Statement was due to be filed by midnight on Friday, May  
26 23, 2008. Reflecting NetApp's unorganized and unprincipled approach to claim construction, and  
27 ignoring the structured approach and timeline for claim construction imposed by the Patent Local  
28 Rules, in the five hours preceding midnight (and even following midnight), NetApp (1) modified  
the construction of approximately 45 claim terms and (2) identified an entirely new claim term for  
construction.



1 scheduled for hearing a week or two later, and that a third group of terms be scheduled for  
2 hearing a week or two thereafter. This would permit ample time for all claim construction issues  
3 to be addressed, and would permit the Court additional time to prepare before hearing argument.  
4 This approach also would avoid the harsh staging approach proposed by NetApp, which  
5 essentially would turn this single case into two cases.

6 *Bases For Sun's Proposal:* Sun's proposal permits the parties to focus the Court on what  
7 the parties identify as the key claim construction issues in the case. Indeed, Sun's proposal is  
8 consistent with the Court's February 12, 2008 Case Management Scheduling Order, wherein the  
9 Court advised the parties that it "will likely require them to prioritize disputed patent claims as set  
10 forth in new Patent Local Rule 4-1(b)."

11 In this regard, the Court recently revised the Patent Local Rules to provide that the  
12 "parties shall also jointly identify the 10 terms likely to be most significant to resolving the  
13 parties' dispute, including those terms for which construction may be case or claim dispositive."  
14 Patent Local Rule 4-1(b). Sun's proposal is consistent with the Patent Local Rules by prioritizing  
15 the key claim terms for construction across the case in terms of whether they may be case or  
16 claim dispositive. On the other hand, nothing in the Patent Local Rules provides or suggests  
17 some patents should be placed on hold until after trial while others are construed and tried.

18 Moreover, contrary to NetApp's current assertion, Sun's position provides for ample  
19 claim construction in this case – up to 40 priority terms. Sun identified only 33 non-means-plus-  
20 function terms for construction (13 of which NetApp also identified), and Sun certainly can  
21 identify 20 (or fewer) of those 33 terms for priority construction by the Court. NetApp's current  
22 position appears to spring from its lack of disciplined analysis –identifying a whopping 90 non-  
23 means-plus-function claim terms for construction. NetApp does not offer any justification why  
24 that many (or even most) of these terms require construction.

25 Indeed, for much the same reason, NetApp's reliance on *O2 Micro Int'l, Ltd. v. Beyond*  
26 *Innovation Tech. Co., Ltd.*, 521 F.3d 1351 (Fed. Cir. 2008) is misplaced. Contrary to NetApp's  
27 assertion, the Federal Circuit did not hold that "all claim terms that are disputed must be  
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1 construed by the Court at the risk of error.” In fact, the Federal Circuit expressly stated that  
2 “[w]e, however, recognize that district courts are not (and should not be) required to construe  
3 every limitation present in a patent’s asserted claims.” *Id.* at 1362 (emphasis in original). The  
4 Federal Circuit instead stated claim construction should occur “[w]hen the parties present a  
5 fundamental dispute regarding the scope of a claim term.” *Id.* at 1362.

6 Here, NetApp argues that the parties’ discussions have been “unsuccessful in reducing the  
7 number in any meaningful way suggests that these disputes are fundamental.” NetApp ignores,  
8 however, the fact that the parties have engaged in only *one* meet-and-confer conference on the  
9 subject of claim construction that lasted 1.5 hours (during which the parties did not agree, as  
10 NetApp represents, to limit its discussion to 20 terms). During this call, the parties agreed to hold  
11 a further meet-and-confer conference to narrow the disputes regarding claim construction. While  
12 Sun has been prepared two times to conduct this further meet-and-confer conference, NetApp’s  
13 counsel preferred to not address the claim construction issues until the Court resolved the parties’  
14 dispute regarding the methodology of the claim construction process.<sup>3</sup> As such, given the limited  
15 number of discussions, it is disingenuous for NetApp to now argue that such discussions have  
16 been unsuccessful.

17 Based upon their experience in other patent cases, the parties’ counsel consistently have  
18 told the Court the number of patents-in-suit most probably will drop before trial. However, Sun  
19 has contended this will result from the typical progression of patent cases, wherein parties  
20 reassess the strength of their claims and defenses following a *Markman* ruling, and again after  
21 motions for summary judgment are filed and ruled upon, and once again as the case is prepared  
22 for trial. Based upon past experience, Sun continues to expect this likely will occur in this case.  
23 Notably, this typical process results in streamlining the case through the actual *dismissal* of  
24 patents rather than staging (or postponing) of groups of patents over time as NetApp proposes.

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27 <sup>3</sup> On May 27, 2008, Sun's counsel, again, requested a further meet-and-confer conference to take  
28 place on May 29, 2008. NetApp has agreed to this further meet-and-confer conference. As such,  
the parties continue to engage in the meet-and-confer process with respect to claim construction.

1 Moreover, it is simply too early in the case to determine which patents should and should not  
2 proceed to trial when virtually no discovery has taken place to date.

3 NetApp also responds to Sun's proposal with assertions regarding the number of  
4 technologies and claims potentially at issue. However, NetApp does not explain how limiting the  
5 number of patents to eight would necessarily narrow the number of technologies at issue.  
6 (NetApp's assertion appears to be based upon the false premise that all 20 patents concern  
7 different technologies.) Moreover, if NetApp's assertion were true and the Court were to adopt  
8 NetApp's proposal, that would mean the Court would exclude certain technologies (i.e., accused  
9 NetApp products) from the initial scope of this case. It would be prejudicial to Sun to effectively  
10 exclude infringing products from the initial scope of this case.

11 As to the number of claims at issue, NetApp argues the Court may need to understand 340  
12 asserted claims during the claim construction phase. This is inaccurate. Of the asserted claims,  
13 198 claims include terms that listed to be construed and, of those, only 66 are independent claims.  
14 Moreover, should the parties submit only 40 terms for construction, the number of claims at issue  
15 would drop significantly.

16 Additional Problems With NetApp's Proposal: As NetApp is doing now, at the time of  
17 the first Case Management Conference, NetApp proposed a multi-track schedule whereby  
18 different patents would be construed and tried at different times. For the good reasons articulated  
19 at the time, the Court rejected NetApp's proposed multi-track approach to this case. Yet,  
20 NetApp's proposal is another multi-track plan by which different patents would be placed on two  
21 different schedules, with one set of patents being construed and tried at one time, and another set  
22 of patents being construed and tried at another time, with no clear justification for segregating the  
23 patents in such a manner. This proposal would not simplify or streamline the case, but rather  
24 would complicate and extend the length of the case.

25 Moreover, while NetApp touts its proposal as one to "trim down this case...for claim  
26 construction and trial...", NetApp's proposal would do exactly the opposite. Under NetApp's  
27 proposal, the parties would construe an *unlimited* number of claim terms for eight patents now.  
28

1 Applying this proposal to eight of the current patents-in-suit and to the current list of claim terms  
2 would result in 76 claim terms (including means plus function terms) being construed. Thus,  
3 depending in part on which patents are selected for the “initial” claim construction and trial phase  
4 of the case, little, if any, efficiency would be achieved. Indeed, after factoring in the fact that a  
5 second round of claim construction and a second trial would be required, NetApp’s proposal  
6 clearly would render the process less, not more, efficient.

7 NetApp also argues, in the alternative, that the 12 patents not selected for infringement  
8 could be added to the second or third case between the parties, thereby allegedly avoiding a multi-  
9 track case. This argument is completely lacking in merit. NetApp’s proposal would merely shift  
10 12 patents to the second or third case, thereby resulting in a 23 patent case in the second case or a  
11 20 patent case in the third case. As such, NetApp’s proposal merely would defer the resolution of  
12 this issue by two or three months rather than resolve it.

13 NetApp also argues that dismissal of the 12 remaining patents “could work too.” Of  
14 course, NetApp is free to dismiss any of its patents if it wishes to do so, but it has not done so.  
15 And forcing Sun to dismiss eight of its patents at this early stage of the litigation – before there  
16 has been any substantial discovery –would be unfair.

17 Finally, NetApp’s argument concludes by asserting that, if the Court adopts NetApp’s  
18 proposal, the Court should not later issue a stay as to the four patents selected by NetApp.  
19 Although NetApp does not explicitly say so, this assertion is, of course, directed to the NetApp  
20 patents in reexamination in the PTO. The Court already stated, in its May 27, 2008, Order, that  
21 the Court is willing to reconsider issuing a stay as to the NetApp ’211 and ’292 patents in  
22 reexamination if subsequent events in the PTO warrant granting such a stay. If such  
23 circumstances occur, such as a PTO rejection of the asserted claims of these patents, Sun will  
24 reapply for a stay as to those patents. NetApp is on fair notice that if the Court adopts its  
25 proposal, and if NetApp then selects the ’211 or ’292 patents to pursue, those patents may be later  
26 stayed for good cause shown due to their status in the PTO. If the Court adopts NetApp’s  
27 proposal, NetApp should weigh the risk of the PTO’s rejection of the claims of the ’211 and ’292  
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1 patents (which is likely to occur given the strength of the prior art being asserted against those  
 2 patents) in deciding which patents to select. Moreover, this issue would be avoided altogether if  
 3 the Court does not narrow the number of patents to be construed at this time.

## 4 **2. Patent Local Rule 2-1(a)**

5 With respect to the topics listed in Patent L.R. 2-1(a), the parties do not believe, at this  
 6 time, that there is a need for any specific limit on discovery related to claim construction. In light  
 7 of their dispute concerning the scope of claim construction proceedings, the parties believe that it  
 8 is premature to address whether live testimony should be heard at the claim construction hearing,  
 9 the order of presentation, or the length of the hearing at this time. The parties will discuss these  
 10 issues with each other after the Court resolves this dispute and will make a joint proposal to the  
 11 Court concerning the logistics for the *Markman* hearing.

## 12 **ADDITIONAL ISSUES**

### 13 **1. Document Production**

14  
 15 Sun's Argument: Despite NetApp's repeated remarks to this Court that it is prepared to  
 16 move expeditiously in this case, NetApp's actions (or inactions) show the contrary. Not only is  
 17 NetApp dragging its feet in scheduling depositions, but NetApp has failed to produce substantive  
 18 documents. The parties agreed to begin rolling document productions on May 16, 2008. Not  
 19 including documents produced pursuant to the patent local rules, Sun has produced 13,598  
 20 documents, while NetApp has only produced a meager 746 documents (which consist mainly of  
 21 publicly available manuals). At this rate, the parties will be unable to complete document  
 22 productions and depositions prior to the fact discovery cut-off date which is set for October 13,  
 23 2008. Even more troubling, given that it appears that NetApp is withholding making its  
 24 deponents available for depositions until it has completed its document production vis-à-vis the  
 25 deponents, Sun has been and will continue to be prejudiced by this delay.

26 NetApp's Argument: This "dispute" is a non-issue and should not have been raised with  
 27 the Court. The parties agreed to begin a *rolling* production on May 16. In the ensuing week,  
 28

1 NetApp produced more than 100,000 pages of responsive documents. In total, NetApp has  
2 produced in this case 1,624 responsive documents totaling more than 150,000 pages, and expects  
3 to continue this rolling production expeditiously until it is complete. In addition, in January 2008,  
4 NetApp provided Sun's outside counsel with an account for its NetApp On the Web website,  
5 thereby providing access to substantial documentation for accused and embodying products.  
6 Moreover, NetApp made source code for its DataONTAP software (which both embodies  
7 NetApp's patents-in-suit and is accused of infringing certain of Sun's patents) available for  
8 inspection pursuant to paragraph 11 of the Protective Order on May 15. And despite the urgency  
9 professed in its argument here, Sun has inspected this code just once, for several hours, in the  
10 nearly two weeks that it has been available. Sun's posturing notwithstanding, both parties are  
11 moving forward with their rolling productions and NetApp expects to satisfy its discovery  
12 obligations in the timeframe set by the Court.

13 **2. Consent for Production of Documents in a Prior Litigation**

14 Sun's Argument: Sun contends that at least a portion of the inventions claimed in some of  
15 the patents that NetApp asserts against Sun, including the purported invention claimed in United  
16 States Patent No. 5,819,292, was wrongfully misappropriated by NetApp in 1991 and 1992 from  
17 The Whipsaw Group joint venture. In July 1994, The Whipsaw Group joint venture and its  
18 individual members filed a lawsuit against NetApp, Michael Malcolm and other defendants  
19 (Whipsaw Group, et. al. v. Network Appliance Corporation, etc. et. al., Case No. CV 742186 in  
20 the Superior Court of California, County of Santa Clara ("the Whipsaw Litigation"). Mr.  
21 Malcolm is a named inventor on the '292, '211 and '352 patents. The lawsuit alleged, among  
22 other claims, misappropriation of trade secrets. On August 14, 1996, days before trial was  
23 scheduled to begin, NetApp and its insurers agreed to pay \$4,400,000 to settle the Whipsaw  
24 Litigation. The subject matter of the litigation concerned the origin, inventorship and ownership  
25 of file storage technology, including technology substantially similar to that disclosed and  
26 claimed in the asserted '292 patent.

27 In January 2008, Sun's counsel issued a subpoena to Orrick, Herrington & Sutcliffe, Mr.  
28

1 Malcolm's legal counsel in the Whipsaw Litigation, for all documents related to the Whipsaw  
2 Litigation. Orrick's counsel has represented that Orrick possesses several boxes of documents  
3 regarding the Whipsaw Litigation. Orrick's counsel further represented that it will not produce  
4 the responsive, non-privileged documents that were labeled "confidential" without the consent of  
5 the litigants. Sun has obtained the consent from all of the litigants except for NetApp and Mr.  
6 Malcolm. Only after Sun's counsel had gone through considerable effort to obtain the consent of  
7 the various third parties related to the Whipsaw joint venture, during which process NetApp and  
8 Mr. Malcolm raised no complaint about the production of the documents, NetApp's current  
9 litigation counsel (who represents both NetApp and Mr. Malcolm) recently indicated that NetApp  
10 and Mr. Malcolm will not consent to the production unless it has an opportunity to review the  
11 documents prior to production to determine whether there is any concern with the production of  
12 the documents. There is no legal basis for NetApp or Mr. Malcolm to impose a "consent" or  
13 "prior review" requirement on the production of relevant documents that are responsive to a  
14 subpoena served on a third party.

15 Now, on the day of this filing, NetApp's and Mr. Malcolm's current counsel advanced a  
16 new argument for further delaying the production of these documents. According to NetApp's  
17 and Mr. Malcolm's current counsel, NetApp and Mr. Malcolm will not consent to the production  
18 of documents without their current counsel (Weil) having an opportunity to review the entire  
19 production for privilege. This position is untenable. Mr. Malcolm's former counsel, Orrick,  
20 hired a reputable third-party law firm to review the documents in its possession for privilege. Mr.  
21 Malcolm cannot further delay this four-month old subpoena by now arguing that he needs his  
22 current counsel to *re-review* the documents for privilege.

23 Finally, any concerns regarding confidentiality (or any other concern) may be addressed  
24 by the protective order in place in the current litigation. Therefore, Sun respectfully requests that  
25 the Court order NetApp and Mr. Malcolm to provide their consent to its former litigation counsel  
26 in the Whipsaw Litigation to produce their documents from the Whipsaw Litigation that are  
27 responsive to Sun's now four-month old subpoena.  
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1           NetApp's Argument: Sun seeks to deprive Mr. Malcolm and NetApp of the opportunity to  
2 have counsel of their own choosing conduct a final review of documents being produced by  
3 Orrick's outside lawyers to screen for privilege, work product, and other confidentiality issues.  
4 This position is simply untenable, particularly in light of the nature of documents at issue.

5           Orrick represented Mr. Malcolm, a NetApp founder and former employee, in connection  
6 with the *Whipsaw Group v. Network Appliance* litigation, referenced above, which terminated  
7 more than 10 years ago. Upon receiving Sun's subpoena, Orrick retained another law firm,  
8 Schwartz & Cera LLP, to respond to the subpoena and produce responsive documents from  
9 Orrick's files. Earlier this year, Scott Lovernick of Schwartz & Cera contacted Mr. Malcolm's  
10 current counsel (Weil Gotshal) to request consent from both Mr. Malcolm and NetApp to produce  
11 documents responsive to the subpoena. Weil Gotshal informed Mr. Lovernick that both Mr.  
12 Malcolm and NetApp consent in principle to the production of responsive documents, but are  
13 concerned about the risk of production of privileged and work-product-protected documents,  
14 given that responsive documents were to be collected and produced from Orrick's files. Thus,  
15 Weil Gotshal informed Mr. Lovernick that neither would provide its final, written consent until  
16 Weil Gotshal had an opportunity to screen the production documents for privilege, work product,  
17 and other confidentiality issues.

18           Today, Mr. Lovernick informed Weil Gotshal that the documents are not yet ready for  
19 production, because Schwartz & Cera has not completed its review, but that this review is likely  
20 to be complete later this week or next week. Once Schwartz & Cera's review is complete, the  
21 documents, comprising between 20 and 25 bankers boxes, will be made available to Weil Gotshal  
22 for a final screening. Mr. Lovernick further informed Weil Gotshal that although the boxes  
23 include documents that were produced, exchanged, or filed in the *Whipsaw* case, they also include  
24 documents and drafts that are internal to Orrick. Unfortunately, the internal documents and drafts  
25 are interspersed through the 20-25 boxes, and it is not possible to separate them as a class in any  
26 meaningful way.

27           Although the lawyers at Schwartz & Cera no doubt conducted a thorough review of the  
28



documents before selecting them for production, the existence of internal documents and drafts in the production, and the fact that the production originates with a law firm, raise substantial concerns that privileged or work-product-protected documents will be produced inadvertently. Consequently, it is simply unreasonable for Sun to demand that Mr. Malcolm (and NetApp, whose privilege is implicated by joint defense issues) to consent blindly to the production of these documents.

Dated: May 27, 2008

/s/ Jeffrey G. Homrig

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